



Code of Conduct for AIIB Suppliers

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1. PURPOSE

The Policy on Corporate Procurement of the Asian Infrastructure Investment Bank (AIIB or the Bank) is based on its core values of being Lean, Clean and Green. AIIB expects its suppliers to act with integrity and adhere to certain minimum ethical standards. It is committed to environmental and social sustainability and expects its suppliers to meet certain minimum standards for this purpose.

This Code of Conduct for AIIB Suppliers (Code) outlines the minimum expectations for suppliers concerning their environmental, social, and governance practices.

2. APPLICABILITY

This Code applies to all suppliers, contractors, and consultants providing goods, works, services (whether general services or consulting services) to the Bank.

This Code is also applicable to the employees, suppliers or sub-contractors of the supplier (i.e., the Bank's extended supply chain) involved in the provision of the goods, works and services to the Bank.

The application of this Code should take due consideration of the supplier's organization, the size and geographic location of its operations, and the scopes provided to the Bank.

3. ENVIRONMENTAL CONSIDERATIONS

3.1 Greenhouse Gas Emissions

AIIB is committed to reducing greenhouse gas (GHG) emissions by measuring and managing the carbon footprint from its own operations. This includes measuring the impact of the carbon footprint of its suppliers as a part of its Institutional Carbon Emission Management (ICEM) Plan. To support this initiative, suppliers are expected to:

- Have a stated ambition for reducing their GHG emissions;
- Make good faith efforts to align with the Bank's GHG emissions reduction targets for the goods, works and services provided to the Bank;
- Provide the Bank with accurate data on their GHG emissions, where available.

GHG emissions may be calculated according to the requirements of GHG Protocol or similar globally recognized GHG accounting framework. GHG emissions data must be sufficiently detailed to meet the Bank's requirements, including a breakdown into Scope 1, Scope 2 and, where possible, Scope 3 emissions (as per the methodologies prescribed in the GHG Protocol Corporate Accounting and Reporting Standard).¹ If the data is not immediately available, suppliers must commit to working with the Bank to establish a timeline for delivering the necessary information.

¹ World Resources Institute and World Business Council for Sustainable Development. 2004. [Greenhouse Gas Protocol Corporate Accounting and Reporting Standard](#).

3.2 Environmental Impacts

Suppliers should have a policy in place to identify and minimize the environmental impacts of the goods, works and services they provide to the Bank. The policy should be appropriate for the size of supplier's organization and the nature of its operations. Such a policy must include measures on:

- Adopting clean production processes and good energy efficiency practices;
- Avoiding pollution, or when avoidance is not feasible, minimizing or controlling the intensity or load of pollutant emissions and discharges;
- Evaluating the sustainability of water and other natural resource usage;
- Assessing the impact on natural habitats and biodiversity, avoiding adverse impacts where possible, and minimizing or controlling the intensity of unavoidable impacts.

4. EMPLOYEE WELFARE

Suppliers must have a clear employee welfare and labor policy to ensure that their employees are treated fairly and their rights are protected. Suppliers are expected to ensure that their policies incorporate the specific requirements detailed in this section. Inability or unwillingness to comply with these requirements may lead to the Bank terminating the contract with the supplier.

4.1 Child Labor

Suppliers must ensure that they do not employ children under the age of 18 to protect them from jeopardy to their health, safety or morals.

However, if the laws or regulations of the origin in which the goods or services are supplied provide, in conformity with the International Labour Organization's (ILO) Minimum Age Convention, 1973, that children at least 16 years of age may be employed for certain work on condition that their health, safety and morals are fully protected and that they have received adequate specific instruction or vocational training in the relevant branch of activity, such children may be employed, but only in conformity with these laws and regulations.

In such cases of employment of children under the age of 18 for the provision of goods, works or services to the Bank, the supplier must conduct an appropriate risk assessment, together with regular monitoring, of their health, safety, working conditions and hours of work, and share such information with the Bank.

4.2 Forced Labor

Suppliers must ensure that no individual is required to perform work or service involuntarily under threat of force or penalty. This includes any form of forced or compulsory labour, such as indentured labor, bonded labor, or labor by trafficked persons.

4.3 Health and Safety

Suppliers must have in place a suitable occupational health and safety policy. It should include measures to ensure safe and healthy working conditions for their employees and as well as measures to prevent accidents, injuries, and diseases in the course of providing goods, works or services to the Bank.

4.4 Wages and Working Time

Suppliers must ensure that employee wages, benefits, and maximum working hours comply with the legal minimum requirements of the jurisdiction of employment.

Suppliers must keep an appropriate record of wage payments, have provision to pay overtime at a premium rate and not make any deductions from wages for disciplinary reasons.

4.5 Employee Welfare and Protection of Rights

Suppliers must ensure that they have sound employee welfare and protection policies in place appropriate for the origin from which they supply the goods or services to the Bank that ensure the employees have:

- freedom of association and protection of union rights;
- the right to collective bargaining;
- access to grievance mechanisms;
- protection against harassment, bullying, abusive behavior, intimidation and exploitation. Specifically, the policies must prohibit the supplier or their employees from engaging in any form of harassment, including sexual harassment, mental or physical coercion, or verbal abuse of their employees;
- equal opportunity, fair treatment and non-discrimination. Specifically, the supplier must not engage in unlawful discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, protected genetic information, marital status or any other demographic grouping in hiring and employment practices such as wages, benefits, promotions, rewards, and access to training.

5. INTEGRITY AND ETHICAL STANDARDS

5.1 Compliance with Laws and Regulations

Suppliers must be fully aware of and comply with all applicable laws and regulations during the provision of goods, works or services to the Bank.

5.2 Data Protection

Suppliers must implement robust measures to protect from public disclosure any sensitive information and maintain data privacy. This includes employing appropriate technical

safeguards like encryption, access controls, and firewalls as well as regularly updating antivirus software and security patches.

Suppliers must ensure the confidentiality of the data they acquire during business dealings, not disclose any confidential information without proper authorization from the concerned parties and use information only for its intended business purpose.

Suppliers shall ensure that their security, including cybersecurity, measures always remain adequate, and that any data breach or security incident falling in the frame of their relationship with the Bank, is reported to the Bank without undue delay.

5.3 Ethical Standards

Suppliers must have a policy or code of business conduct in place that requires adherence to the highest standards of integrity and ethics in their business operations. Suppliers are expected to always act in good faith and maintain these standards in the procurement, administration, and execution of corporate procurement contracts.

5.4 Prohibited Practices

Suppliers must adhere to AIB's [Policy on Prohibited Practices](#) (PPP) and must not engage in any of the following Prohibited Practices (as defined in the PPP):

- **Coercive Practice:** impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
- **Collusive Practice:** an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- **Corrupt Practice:** the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- **Fraudulent Practice:** any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- **Misuse of Resources:** improper use of the Bank's resources, carried out either intentionally or through reckless disregard;
- **Obstructive Practice:** any of the following practices:
 - deliberately destroying, falsifying, altering or concealing of evidence material to a Bank investigation;
 - making false statements to investigators in order to materially impede a Bank investigation into allegations of a Prohibited Practice;
 - failing to comply with requests to provide information, documents or records in connection with a Bank investigation;
 - threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Bank investigation or from pursuing the investigation; or
 - materially impeding the exercise of the Bank's contractual rights of audit or inspection or access to information.
- **Theft:** the misappropriation of property belonging to another party

The supplier shall ensure that its officers, employees, agents or sub-contractors are aware of the PPP and do not undertake any Prohibited Practices.

Suppliers must disclose to AIB any conduct engaged in by the supplier, its officers, employees, agents or sub-contractors that constitutes or may appear to constitute a Prohibited Practice.

6. COMPLIANCE WITH CODE OF CONDUCT

The Bank expects all its suppliers to comply with the requirements of this Code and have the appropriate management control and governance mechanism in place to ensure its ability to comply.

If a supplier is unable to comply with any requirements, the Bank will work with the supplier to assess the reasons for non-compliance, establish timelines for compliance, or explore reasonable alternative solutions proposed by the supplier.

The Bank may require suppliers to provide evidence to validate their compliance with the Code's requirements, and suppliers are expected to comply with such requests and provide the requested information.